

§ 2700.110

§ 2700.110 Eligible homeowners.

In order to qualify for an emergency assistance under this part, the homeowner must:

(a) Have a total pre-Event income that is equal to, or less than, 120 percent of the area median income (AMI).

(b) Have incurred a substantial reduction of income as evidenced by current monthly income that is at least 15 percent lower than the pre-Event income, as a result of involuntary unemployment or underemployment due to adverse economic or medical conditions, or such other reduction in income as may be specified by HUD.

(c) Have a delinquent mortgage, as defined in § 2700.5;

(d) Be financially unable at the time of application for emergency relief under this part to make full monthly mortgage payments;

(e) Have a reasonable likelihood to resume full monthly mortgage payments, and repay the emergency assistance pursuant to the terms and conditions under which the emergency assistance was made available to the homeowner. The standard for meeting this requirement is debt-to-income (DTI) ratio. The homeowner must have a back-end ratio of below 55 percent (principal, interest, taxes, insurance, revolving and fixed installment debt divided by total monthly income), or such other DTI as may be specified by HUD. For this DTI calculation, income will be measured at the pre-Event level.

(f) Have not received other emergency assistance pursuant to this part;

(g) Have been notified that the mortgagee intends to foreclose;

(h) Produce a certification from the mortgagee in which the homeowner also certifies that circumstances make it probable that the mortgagee will foreclose on the homeowner's delinquent mortgage; and

(i) Meet such other requirements as may be prescribed by HUD for reasons including, but not limited to, the particular economic circumstances in which emergency assistance is being made available, or the type of emergency assistance being made available.

24 CFR Ch. XV (4-1-12 Edition)

Subpart C—Emergency Assistance

§ 2700.201 Types and terms of emergency assistance.

(a) *Types of emergency assistance.* Emergency assistance may be provided to an eligible homeowner in the form of emergency mortgage relief loans and advances of credit, or in the form of emergency mortgage relief payments. In accordance with § 2700.205, the aggregate amount of assistance provided for any eligible homeowner shall not exceed \$50,000 or extend beyond the term of monthly payments, as defined in § 2700.5.

(1) *Emergency mortgage loans and advances.* HUD is authorized, upon such terms and conditions as specified by HUD, to insure financial institutions, which HUD finds to be qualified by experience and facilities and approves as eligible for insurance, against losses that they may sustain as a result of providing emergency mortgage relief loans or advances of credit made under this part.

(2) *Emergency mortgage relief payments.* (i) HUD is authorized to make emergency relief payments under such terms and conditions as HUD may prescribe. Emergency mortgage relief payments may be provided:

(A) As payment of 100 percent of an eligible homeowner's delinquent mortgage arrearages, which may include mortgage principal, interest, insurance, taxes, hazard insurance, ground rent, homeowners' assessment fees or condominium fees, and foreclosure-related legal fees and late payments, in accordance with such terms and conditions as prescribed by HUD; and

(B) As monthly payments due on such delinquent mortgage, for up to a period not to exceed the term of monthly payments, as provided in § 2700.5.

(ii) Such emergency mortgage relief payments may be repayable in the form of a declining balance, non-recourse, zero-interest, subordinate loan secured by the same property securing the delinquent mortgage, for a term of up to 7 years.

(3) *Direct payments to mortgagees.* HUD is authorized to make direct emergency mortgage relief payments to a